

**VII. Assurances.** The SESA Administrator, by signing the SQSP Signature Page, certifies that the SESA will comply with the following assurances, and that the SESA will institute plans or measures to comply with the following requirements. A facsimile of the Signature Page appears in Appendix I. Since the Signature Page incorporates the assurances by reference into the SQSP, States should not include written assurances into their SQSP submittal. The assurances are identified and explained in Paragraphs A - H below.

**A. Assurance of Equal Opportunity (EO).** As a condition to the award of financial assistance from ETA, the SESA must assure that the operation of its program, and all agreements or arrangements to carry out the programs for which assistance is awarded, will comply with Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; and the Americans with Disabilities Act of 1990. Further, the SESA must assure that it will establish and utilize such methods of administration as give reasonable guarantee of compliance with the above equal opportunity and nondiscrimination laws and regulations regarding the services it provides and employment. These methods of administration must, at a minimum, include:

**1. Designation of a Responsible Employee.** The SESA must designate an individual to coordinate its EO responsibilities. Sufficient staff and resources (determined on a case-by-case basis) must be assigned to this individual to ensure effective implementation of his or her responsibilities.

**2. Notification.** The SESA must take affirmative steps to inform applicants, participants, and employees:

- a. that it does not discriminate in admission, access, treatment, or employment; and
- b. of their right to file a complaint and how to do so.

Methods of notification of this information may include, among other things, display of posters, placement of notices in local offices, and publication of notices in, among other things, newsletters, newspapers, or magazines.

**3. Monitoring.** The SESA must develop and implement a system for periodically monitoring the compliance status of its local offices.

**4. Grievance System.** The SESA must establish procedures for resolving complaints alleging discrimination on the basis of handicap in services or employment filed with its local offices. The procedures must comply with the appropriate provisions of the regulations implementing Section 504 of the Rehabilitation Act of 1973 at 29 CFR 32.45. All other discrimination complaints are filed directly with the U.S. Department of Labor, Office of Civil Rights.

**5. Accessibility.** The SESA must assure that the services/programs provided in the local offices are accessible to handicapped individuals. The program information must be available to

hearing and vision impaired persons and, as necessary, to persons of limited English-speaking ability.

**6. Corrective Action.** The SESA must establish procedures for taking prompt corrective action regarding any noncompliance finding of a local office.

**7. Record Keeping.** The SESA must ensure that characteristics data (e.g., race, sex, national origin, age, handicap status) are maintained in local offices' records on applicants, participants, and employees and that such records are sufficient to determine whether that local office is in compliance with Federal nondiscrimination and equal opportunity statutes and regulations.

**B. Assurance of Administrative Requirements and Allowable Cost Standards.** The SESA must comply with administrative requirements and cost principles applicable to grants and cooperative agreements as specified in 20 CFR Part 601 (Administrative Procedure), 29 CFR Part 93 (Lobbying Prohibitions), 29 CFR Part 96 (Audit Requirements), 29 CFR Part 97 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments), and OMB Circular A-87 (Revised), 60 FR 26484 (May 17, 1995), further amended at 62 FR 45934 (August 29, 1997) (Cost Principles for State, Local, and Indian Tribal Governments), and with administrative requirements for debarment and suspension applicable to subgrants or contracts as specified in 29 CFR Part 98 (Debarment and Suspension). The cost of State staff travel to regional and national meetings and training sessions is included in the grant funds. The SESA assures that State staff will attend mandatory meetings and training sessions, or return unused funds.

States that have subawards to organizations covered by audit requirements of OMB Circular A-133 (Revised) (Audit Requirements of Institutions of Higher Education and Other Non-Profits) must (1) ensure that such subrecipients meet the requirements of that circular, as applicable, and (2) resolve audit findings, if any, resulting from such audits, relating to the UI program.

The SESA also assures that it will comply with the following specific administrative requirements.

**1. Administrative Requirements.**

**a. Program Income.** Program income is defined in 29 CFR 97.25 as gross income received by a grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. States may deduct costs incidental to the generation of UI program income from gross income to determine net UI program income. UI program income may be added to the funds committed to the grant by ETA. The program income must be used only as necessary for the proper and efficient administration of the UI program. Any rental income or user fees obtained from real property or equipment acquired with grant funds from prior awards shall be treated as program income under this grant.

**b. Budget Changes.** Except as specified by terms of the specific grant award, ETA,

in accordance with the regulations, waives the requirements in 29 CFR 97.30(c)(1)(ii) that States obtain prior written approval for certain types of budget changes.

**c. Real Property Acquired with Reed Act Funds.** The requirements for real property acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, dated September 12, 1997, and in 29 CFR 97.31 to the extent amortized with UI grants.

**d. Equipment Acquired with Reed Act Funds.** The requirements for equipment acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, dated September 12, 1997, and in 29 CFR 97.31 to the extent amortized with UI grants.

**e. Real Property, Equipment, and Supplies.**

1) Real property, equipment, and supplies acquired under prior awards are transferred to this award and are subject to the relevant regulations at 29 CFR Part 97.

2) For super-microcomputer systems and all associated components which were installed in States for the purpose of Regular Reports, Benefits Accuracy Measurement, and other UI Activities, the requirements of 29 CFR Part 97 apply. The National Office reserves the right to transfer title and issue disposition instructions in accordance with paragraph (g) of Federal regulations at 29 CFR 97.32. States also will certify an inventory list of system components which will be distributed annually by ETA.

**f. Standard Form 272, Federal Cash Transactions Report.** In accordance with 29 CFR 97.41(c), SESAs are required to submit a separate SF 272 for each sub-account under the Department of Health and Human Services (DHHS) Payment Management System. However, SESAs are exempt from the requirement to submit the SF 272A, Continuation Sheet.

**2. Exceptions and Expansions to Cost Principles.** The following exceptions or expansions to the cost principles of OMB Circular No. A-87 (Revised) are applicable to SESAs:

**a. Employee Fringe Benefits.** As an exception to OMB Circular A-87 (Revised) with respect to personnel benefit costs incurred on behalf of SESA employees who are members of fringe benefit plans which do not meet the requirements of OMB Circular No. A-87 (Revised), Attachment B, item 11, the costs of employer contributions or expenses incurred for SESA fringe benefit plans are allowable, provided that:

1) For retirement plans, all covered employees joined the plan before October 1, 1983; the plan is authorized by State law; the plan was previously approved by the Secretary; the plan is insured by a private insurance carrier which is licensed to operate this type of plan in the applicable State; and any dividends or similar credits because of participation in the plan are credited against the next premium falling due under the contract.

2) For all SESA fringe benefit plans other than retirement plans, if the Secretary

granted a time extension after October 1, 1983, to the existing approval of such a plan, costs of the plan are allowable until such time as the plan is comparable in cost and benefits to fringe benefit plans available to other similarly employed State employees. At such time as the cost and benefits of an approved fringe benefit plan are equivalent to the cost and benefits of plans available to other similarly employed State employees, the time extension will cease and the cited requirements of OMB Circular A-87 (Revised) will apply.

**3)** For retirement plans and all other fringe benefit plans covered in (1) and (2) of this paragraph, any additional costs resulting from improvements to the plans made after October 1, 1983, are not chargeable to UI grant funds.

**b. UI Claimant's Court Appeals Costs.** To the extent authorized by State law, funds may be expended for reasonable counsel fees and necessary court costs, as fixed by the court, incurred by the claimant on appeals to the courts in the following cases:

**1)** Any court appeal from an administrative or judicial decision favorable in whole or in part for the claimant;

**2)** Any court appeal by a claimant from a decision which reverses a prior decision in his/her favor;

**3)** Any court appeal by a claimant from a decision denying or reducing benefits awarded under a prior administrative or judicial decision;

**4)** Any court appeal as a result of which the claimant is awarded benefits;

**5)** Any court appeal by a claimant from a decision by a tribunal, board of review, or court which was not unanimous;

**6)** Any court appeal by a claimant where the court finds that a reasonable basis exists for the appeal.

**c. Reed Act.** Payment from the SESA's UI grant allocations, made into a State's account in the Unemployment Trust Fund for the purpose of reducing charges against Reed Act funds (Section 903(c)(2) of the Social Security Act, as amended (42 U.S.C. 1103(c)(2)), are allowable costs provided that:

**1)** The charges against Reed Act funds were for amounts appropriated, obligated, and expended for the acquisition of automatic data processing installations or for the acquisition or major renovation of State-owned real property (as defined in 29 CFR 97.3); and

**2)** With respect to each acquisition or improvement of property, the payments are accounted for as credit against equivalent amounts of Reed Act funds previously withdrawn under the respective appropriation.

**d. Prior Approval of Equipment Purchases.** As provided for in OMB Circular No. A-87 (Revised), Attachment B, item 19, the requirement that grant recipients obtain prior approval from the Federal grantor agency for all purchases of equipment (as defined in 29 CFR 97.3) is waived and approval authority is delegated to the SESA Administrator.

**C. Assurance of Management Systems, Reporting, and Record Keeping.** The SESA assures that:

1. Financial systems provide fiscal control and accounting procedures sufficient to permit timely preparation of required reports, and the tracing of funds to a level of expenditure adequate to establish that funds have not been expended improperly (29 CFR 97.20).

2. The financial management system and the program information system provide Federally-required reports and records that are uniform in definition, accessible to authorized Federal and State staff, and verifiable for monitoring, reporting, audit, and evaluation purposes.

3. It will submit reports to ETA as required in instructions issued by ETA and in the format ETA prescribes.

4. The financial management system provides for methods to insure compliance with the requirements applicable to procurement and grants as specified in 29 CFR Part 98 (Debarment and Suspension), and for obtaining the required certifications under 29 CFR 98.510(b) regarding debarment, suspension, ineligibility, and voluntary exclusions for lower tier covered transactions.

**D. Assurance of Program Quality.** The SESA assures that it will administer the UI program in a manner that ensures proper and efficient administration. "Proper and efficient administration" includes performance measured by ETA through Tier I measures, Tier II measures, program reviews, and the administration of the UI BAM, BTQ measures, and TPS program requirements.

**E. Assurance on Use of Unobligated Funds.** The SESA assures that non-automation funds will be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Automation funds must be obligated by the end of the 3<sup>rd</sup> fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Failure to comply with this assurance may result in disallowed costs from audits or review findings.

**F. Assurance of Prohibition of Lobbying Costs (29 CFR Part 93).** The SESA assures and certifies that, in accordance with the DOL Appropriations Act, no UI grant funds will be used to pay salaries or expenses related to any activity designed to influence legislation or appropriations pending before the Congress of the United States.

**G. Drug-Free Workplace (29 CFR Part 98).** The SESA assures and certifies that it will comply with the requirements at this part.

**H. Assurance of Disaster Recovery Capability.** The SESA assures that it will maintain a Disaster Recovery plan.

**I. Assurance of Conformity and Compliance.** The SESA assures that the State law will conform to, and its administrative practice will substantially comply with, all Federal UI law requirements, and that it will adhere to DOL directives.